

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS'
JOINDER TO OFFICIAL COMMITTEE OF RETIRED EMPLOYEES AND ITS
PROFESSIONALS' MOTION TO COMPEL PUERTO RICO DEPARTMENT
OF TREASURY TO COMPLY WITH FIRST AND SECOND AMENDED
ORDERS SETTING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

The Official Committee of Unsecured Creditors (the “Committee”)² respectfully submits this joinder (the “Joinder”) to the *Motion of the Official Committee of Retired Employees and Its Professionals to Compel the Puerto Rico Department of Treasury to Comply with the First and Second Amended Orders Setting Procedures for Interim Compensation and Reimbursement of*

¹ The Debtors in these jointly-administered Title III cases, along with each Debtor’s respective Title III case number (listed as a bankruptcy case number due to software limitations) and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

² The Committee is the official committee of unsecured creditors for all Title III Debtors, other than PBA and COFINA.

Expenses of Professionals [Docket No. 18114] (the “Motion to Compel”).³ In support of this Joinder, the Committee respectfully states as follows:

JOINDER

1. The Committee joins in the relief and incorporates as if set forth in full herein the arguments set forth by the Official Committee of Retired Employees and Its Professionals (the “Retiree Committee”) in the Motion to Compel.

2. Similarly to the professionals retained by the Retiree Committee, Hacienda has been withholding 1.5% of Court-ordered fees payable to the advisors to the Committee, including Paul Hastings LLP (“Paul Hastings”); Zolfo Cooper, LLC (“Zolfo Cooper”); and Genovese, Joblove & Battista, P.A. (“Genovese” and, together with the other professionals retained by the Committee, the “Committee Professionals”),⁴ including, without limitation, the withholdings set forth on **Exhibit A** attached hereto. These improper withholdings (the “Improper Withholdings”) are in addition to (a) in the case of Paul Hastings and Zolfo Cooper, the 20% end-of-case fee reductions and (b) in the case of Genovese, a 20% fee discount as well as the 10% interim holdbacks under the Compensation Procedures Orders.

3. For all the reasons set forth in the Motion to Compel, there is no basis for the Improper Withholdings. The Committee Professionals are not retained by the Commonwealth of Puerto Rico or any of its instrumentalities and do not provide services to the Commonwealth of Puerto Rico or any of its instrumentalities. Rather, the Committee Professionals are retained by and solely provide services to the Committee, which, as the Retiree Committee, is created under

³ Capitalized terms used but not defined in this Joinder have the meanings set forth in the Motion to Compel.

⁴ The Court approved the retention of (a) Paul Hastings by order dated August 10, 2017 [Docket No. 999], (b) Zolfo Cooper by order dated August 10, 2017 [Docket No. 1001], (c) Genovese by order dated May 31, 2019 [Docket No. 7181], (d) Casillas, Santiago & Torres by order dated October 6, 2017 [Docket No. 1414], and (e) Kroma Advertising, Inc. by order dated February 22, 2018 [Docket No. 2572].

the federal law of PROMESA, and appointed by the Office of the United States Trustee and, as such, is not an instrumentality of the Puerto Rico government.

4. Moreover, the Committee Professionals have, consistent with the Compensation Procedures Orders, timely served on AAFAF, the FOMB, and the other notice parties monthly statements for fees and expenses incurred on behalf of the Committee, as well as filed timely interim fee applications, which the Court approved under the Interim Fee Orders.⁵

5. While the Committee's professionals have been in discussions with counsel to AAFAF to resolve this matter consensually (and will continue to do so) and understand that Hacienda would refund the Improper Withholdings if the Committee Professionals submit additional information requested by Hacienda, the Improper Withholdings have not yet been refunded as of the time of the filing of the Motion to Compel. Accordingly, the Committee joins in the relief and incorporates the arguments set forth in the Motion to Compel.

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⁵ The Committee Professionals' most recent interim fee applications were filed on July 15, 2021 and are set to be heard at the October 6, 2021 omnibus hearing. *See* Docket Nos. 17365, 17377, 17378, 17380, 17381.

WHEREFORE, for the reasons discussed herein and in the Retiree Committee's Motion to Compel, the Committee respectfully requests the Court enter the Proposed Order granting the Motion to Compel and directing Hacienda to comply with the Court's Compensation Procedures Orders and Interim Fee Orders and to pay all Improper Withholdings to the Committee Professionals, on or before October 15, 2021.

Dated: September 21, 2021

/s/ Luc A. Despins

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– and –

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